| | STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS AND MINING | | | | | FORI | | |
|--|---|---|-------------------------|--------------------|---|--------------------------------|-------------|--|
| APPLI | CATION FOR | PERMIT TO DRILL | | | 1. WELL NAME and NUMBER CWU 4032-27 | | | |
| 2. TYPE OF WORK DRILL NEW WELL (| REENTER P8 | A WELL (DEEPE | N WELL | | 3. FIELD OR WILDCAT NATURAL BUTTES | | | |
| 4. TYPE OF WELL Gas We | | ed Methane Well: NO | | | 5. UNIT or COMMUNITIZATION AGREEMENT NAME CHAPITA WELLS | | | |
| 6. NAME OF OPERATOR EOG Resources, Inc. | | | | | 7. OPERATOR PHO | NE 435 781-9111 | | |
| 8. ADDRESS OF OPERATOR 1060 East Highway 40, Vernal, UT, 84078 | | | | | 9. OPERATOR E-MA | IL gardner@eogresource | es.com | |
| 10. MINERAL LEASE NUMBER (FEDERAL, INDIAN, OR STATE) | | 11. MINERAL OWNE | .—. | | 12. SURFACE OWN | ERSHIP | | |
| UTU0344A | | FEDERAL (IND | IAN STATE (| FEE (II) | - | DIAN STATE (| ~ ~ | |
| 13. NAME OF SURFACE OWNER (if box 12 | = 'fee') | | | | 14. SURFACE OWN | ER PHONE (if box 1 | .2 = 'fee') | |
| 15. ADDRESS OF SURFACE OWNER (if box | 12 = 'fee') | | | | 16. SURFACE OWN | ER E-MAIL (if box 1 | l2 = 'fee') | |
| 17. INDIAN ALLOTTEE OR TRIBE NAME | | 18. INTEND TO COM | | TION FROM | 19. SLANT | | | |
| (if box 12 = 'INDIAN') | | | ommingling Applicat | ion) NO 📵 | VERTICAL DIF | RECTIONAL (HO | ORIZONTAL 🗍 | |
| 20. LOCATION OF WELL | FO | OTAGES | QTR-QTR | SECTION | TOWNSHIP | RANGE | MERIDIAN | |
| LOCATION AT SURFACE | 2296 F | SL 857 FEL | NESE | 27 | 9.0 S | 23.0 E | S | |
| Top of Uppermost Producing Zone | 2296 F | SL 857 FEL | NESE | 27 | 9.0 S | 23.0 E | S | |
| At Total Depth | 2296 F | SL 857 FEL | NESE | 27 | 9.0 S | 23.0 E | S | |
| 21. COUNTY UINTAH | | 22. DISTANCE TO N | EAREST LEASE LIN 857 | IE (Feet) | 23. NUMBER OF AC | RES IN DRILLING | UNIT | |
| | | 25. DISTANCE TO NI (Applied For Drilling | | SAME POOL | 26. PROPOSED DEF | PTH : 6630 TVD: 6630 | | |
| 27. ELEVATION - GROUND LEVEL 5316 | | 28. BOND NUMBER | NM2308 | | 29. SOURCE OF DRILLING WATER / WATER RIGHTS APPROVAL NUMBER IF APPLICABL 49-225 | | | |
| | | Aī | TTACHMENTS | | | | | |
| VERIFY THE FOLLOWING | ARE ATTACH | ED IN ACCORCANO | CE WITH THE U | TAH OIL AND | GAS CONSERVATI | ON GENERAL RU | LES | |
| WELL PLAT OR MAP PREPARED BY | LICENSED SUR | VEYOR OR ENGINEER | COM | IPLETE DRILLING | G PLAN | | | |
| AFFIDAVIT OF STATUS OF SURFACE | OWNER AGRE | EMENT (IF FEE SURFA | ACE) FORI | M 5. IF OPERATO | OR IS OTHER THAN T | HE LEASE OWNER | | |
| ☐ DIRECTIONAL SURVEY PLAN (IF DIRECTIONALLY OR HORIZONTALLY TOPOGRAPHICAL MAP DRILLED) | | | | | | | | |
| NAME Mary Maestas | TITL | E Regulatory Assistant | | PHONE 303 824-5526 | | | | |
| SIGNATURE | DAT | E 04/08/2009 | | EMAIL mary_ | _maestas@eogresource | s.com | | |
| API NUMBER ASSIGNED 43047503290000 APPROVAL | | | | | | | | |
| Permit Manager | | | | it Manager | | | | |

API Well No: 43047503290000 Received: 4/1/2009

| | Proposed Hole, Casing, and Cement | | | | | | |
|--------|-----------------------------------|-------------|----------|-------------|---|--|--|
| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | | |
| Surf | 12.25 | 9.625 | 0 | 2300 | | | |
| Pipe | Grade | Length | Weight | | | | |
| | Grade J-55 ST&C | 2300 | 36.0 | | П | | |
| | | | | | | | |

API Well No: 43047503290000 Received: 4/1/2009

| | Proposed Hole, Casing, and Cement | | | | | | | |
|--------|-----------------------------------|-------------|----------|-------------|--|--|--|--|
| String | Hole Size | Casing Size | Top (MD) | Bottom (MD) | | | | |
| Prod | 7.875 | 4.5 | 0 | 6630 | | | | |
| Pipe | Grade | Length | Weight | | | | | |
| | Grade N-80 LT&C | 6630 | 11.6 | | | | | |
| | | | | | | | | |

CHAPITA WELLS UNIT 4032-27

NE/SE, SEC. 27, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

1. & 2. ESTIMATED TOPS & ANTICIPATED OIL, GAS, & WATER ZONES:

| FORMATION | TVD-RKB (ft) | Objective | Lithology | |
|------------------------|--------------|-----------|-----------|-----|
| Green River | 1,584 | | Shale | |
| Birdsnest Zone | 1,710 | | Dolomite | |
| Mahogany Oil Shale Bed | 2,210 | | Shale | |
| Wasatch | 4,416 | Primary | Sandstone | Gas |
| Chapita Wells | 4,982 | Primary | Sandstone | Gas |
| Buck Canyon | 5,645 | Primary | Sandstone | Gas |
| North Horn | 6,164 | Primary | Sandstone | Gas |
| KMV Price River | 6,422 | | Sandstone | |
| | | | | |
| _ | | | _ | |
| TD | 6,630 | | | |

Estimated TD: 6,630' or 200'± below TD Anticipated BHP: 3,620 Psig

1. Fresh Waters may exist in the upper, approximately 1,000 ft \pm of the Green River Formation, with top at about 2,000 ft \pm .

2. Cement isolation is installed to surface of the well isolating all zones by cement.

3. PRESSURE CONTROL EQUIPMENT:

Production Hole – 5000 Psig

BOP schematic diagrams attached.

4. CASING PROGRAM:

| CASING | Hole Size | <u>Length</u> | <u>Size</u> | WEIGHT | <u>Grade</u> | Thread | Rating Collapse | Factor Burst | <u>Tensile</u> |
|------------|--------------|--------------------|-------------|--------|--------------|--------|--------------------|-----------------|----------------|
| Conductor | 20" | 40 – 60' | 14" | 32.5# | A252 | | | 1880 PSI | 10,000# |
| Surface | 12 ¼" | 0' - 2,300' KB± | 9-5/8" | 36.0# | J-55 | STC | 2020 PSI | 3520 Psi | 394,000# |
| Production | 7-7/8" | Surface - TD | 4-1/2" | 11.6# | N-80 | LTC | 6350 PSI | 7780 Psi | 233,000# |
| | | | | | | | | | |

Note: 12-1/4" surface hole will be drilled to a total depth of 200'± below the base of the Green River lost circulation zone and cased w/9-5/8" as shown to that depth. Drilled depth may be shallower or deeper than the 2300' shown above depending on the actual depth of the loss zone.

All casing will be new or inspected.

CHAPITA WELLS UNIT 4032-27

NE/SE, SEC. 27, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

5. Float Equipment:

Surface Hole Procedure (0'- 2300'±)

Guide Shoe

Insert Float Collar (PDC drillable)

Centralizers: 1-5' above shoe, top of jts. #2 and #3 then every 5th joint to surface. (15 total)

Production Hole Procedure (2300'± - TD):

Float shoe, 1 joint casing, float collar and balance of casing to surface. 4-½", 11.6#, N-80 or equivalent marker collars or short casing joints to be placed at top of Price River and 400' above top of Wasatch. Centralizers to be placed 5' above shoe on joint #1, top of joint #2, and every 2nd joint to 400' above Wasatch Island top. Thread lock float shoe, top and bottom of float collar, and top of 2nd joint.

6. MUD PROGRAM

Surface Hole Procedure (Surface - 2300'±):

Air/air mist or aerated water.

Production Hole Procedure (2300'± - TD):

Anticipated mud weight 9.5 – 10.5 ppg depending on actual wellbore conditions encountered while drilling.

2300'± - TD A closed mud system will be utilized. A bentonite gelled water mud system will be used to control viscosity w/PHPA polymer used for supplemental viscosity and clay encapsulation/inhibition. Water loss will be maintained at <15cc's using white starch or PAC. Bactericides will be used as needed. Anticipated pH will range from 9.0-10.0. Mud weight will be adjusted as necessary for well control. Deflocculants/thinners will be used as necessary to maintain mud quality. LCM sweeps will be utilized as necessary to control lost circulation and mud loss. CO2 contamination, if encountered, will be treated with lime and gypsum.

CHAPITA WELLS UNIT 4032-27 NE/SE, SEC. 27, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

7. VARIANCE REQUESTS:

Reference: Onshore Oil and Gas Order No. 1
Onshore Oil and Gas Order No. 2 – Section E: Special Drilling Operations

- o EOG Resources, Inc. requests a variance to regulations requiring a straight run blooie line to be 100' in length. (Where possible, a straight run blooie line will be used).
- o EOG Resources, Inc. requests a variance to regulations requiring the blooie line to be 100' in length. To reduce location excavation, the blooie line will be approximately 75' in length.
- EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring dedusting equipment. Dust during air drilling operations is controlled by water mist.
- o EOG Resources, Inc. requests a variance to regulations, during air drilling operations only, requiring an automatic igniter or continuous pilot light on the blooie line. (Not required on aerated water system).
- o EOG Resources, Inc. requests a variance that compressors are located in the opposite direction from the blooie line a minimum of 100 feet from the well bore. (Air Compressors are rig mounted).

8. EVALUATION PROGRAM:

Cased-hole Logs: Cased-hole logs will be run in lieu of open-hole logs consisting of the following:

CBL/CCL/VDL/GR

CHAPITA WELLS UNIT 4032-27

NE/SE, SEC. 27, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

9. CEMENT PROGRAM:

Surface Hole Procedure (Surface - 2300'±):

Lead: 185 sks Class "G" cement with 16% Gel, 10 #/sx Gilsonite, 3% Salt, 2% CaCl₂, 3 lb/sx

GR3 ½ #/sx Flocele mixed at 11 ppg, 3.82 ft³/sk. yield, 23 gps water.

Tail: 207 sks Class "G" cement with 2% CaCl₂, ¼#/sk Flocele mixed at 15.6 ppg, 1.18 ft³/sk., 5.2 gps

water.

Top Out: As necessary with Class "G" cement with 2% CaCl₂, ½#/sk Flocele mixed at 15.6 ppg,

1.18 ft³/sk., 5.2 gps water.

Note: Cement volumes will be calculated to bring lead cement to surface and tail cement to

500'above the casing shoe.

Production Hole Procedure (2300'± - TD)

Lead: 116 sks: Hi-Lift "G" w/12% D20 (Bentonite), 1% D79 (Extender), 5% D44

(Salt),0.2% D46 (Antifoam), 0.25% D112 (Fluid Loss Additive), 0.25 pps D29 (cello flakes)

mixed at 11.0 ppg, 3.91 ft³/sk., 24.5 gps water.

Tail: 472 sks: 50:50 Poz "G" w/ 2% D20 (Bentonite), 0.1% D46 (Antifoam), 0.075%

D13 (Retarder), 0.2% D167 (Fluid Loss Additive), 0.2% D65 (Dispersant), mixed at 14.1

ppg, 1.28 ft³/sk., 5.9gps water.

Note: The above number of sacks is based on gauge-hole calculation.

Lead volume to be calculated to bring cement to 200'± above 9-5/8" casing shoe. Tail volume to be calculated to bring cement to 400'± above top of Wasatch.

Final Cement volumes will be based upon gauge-hole plus 45% excess.

10. ABNORMAL CONDITIONS:

Surface Hole (Surface - 2300'±):

Lost circulation

Production Hole (2300'± - TD):

Sloughing shales, lost circulation and key seat development are possible in the Wasatch Formation.

CHAPITA WELLS UNIT 4032-27 NE/SE, SEC. 27, T9S, R23E, S.L.B.&M.. UINTAH COUNTY, UTAH

11. STANDARD REQUIRED EQUIPMENT:

- A. Choke Manifold
- B. Upper and Lower Kelly Cock
- C. Stabbing Valve
- D. Visual Mud Monitoring

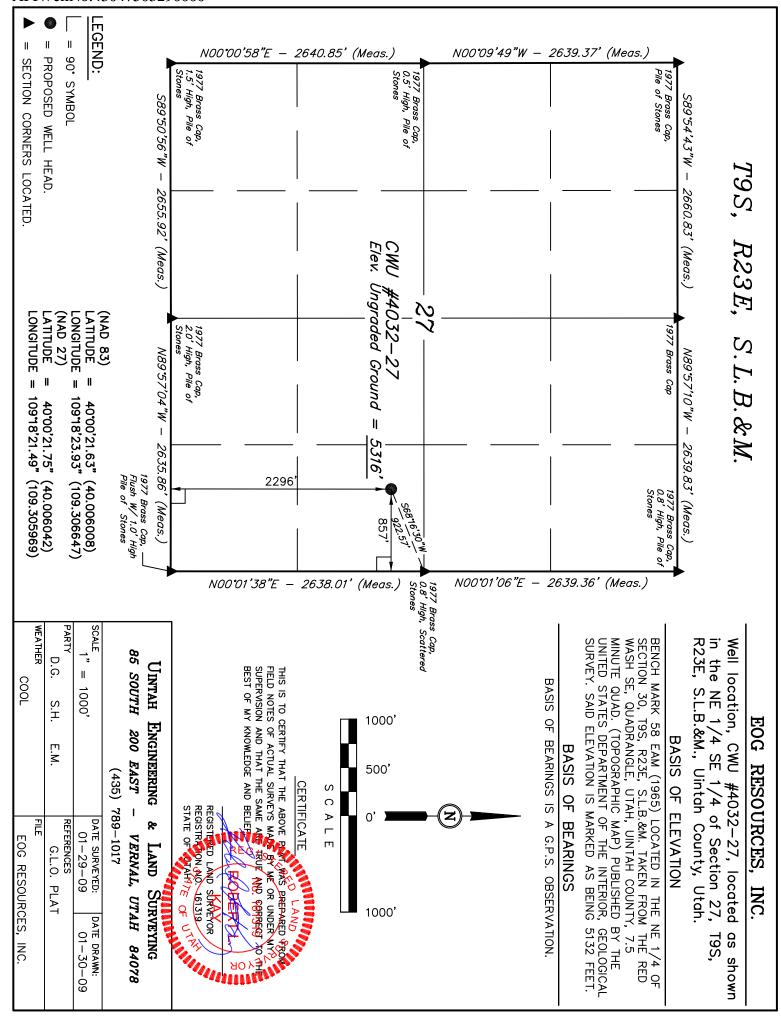
12. HAZARDOUS CHEMICALS:

No chemicals subject to reporting under SARA title III in an amount equal to or greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

13. Air Drilling Operations:

- 1. Main Air Compressors are 1250 CFM 350 psi with 2000 psi Boosters and are rig mounted.
- 2. Secondary Air Compressors are 1170 CFM 350 psi with 2000 psi Boosters and are rig mounted.
- Minimum setting depth of conductor casing will be 60' GL or 10'± into competent formation, whichever is deeper, as determined by the EOG person in charge. Exceptions must be approved by an EOG drilling superintendent or manager.
- 4. The diameter of the diverter flow line will be a minimum of 10" to help reduce back pressure on the well bore during uncontrolled flow.
- 5. Rat and Mouse hole drilling will occur only after surface casing has been set and cemented.
- 6. EOG Resources, Inc. will use a properly maintained and lubricated stripper head.

(Attachment: BOP Schematic Diagram)



EOG RESOURCES, INC.

CWU #4032-27 LOCATED IN UINTAH COUNTY, UTAH SECTION 27, T9S, R23E, S.L.B.&M.

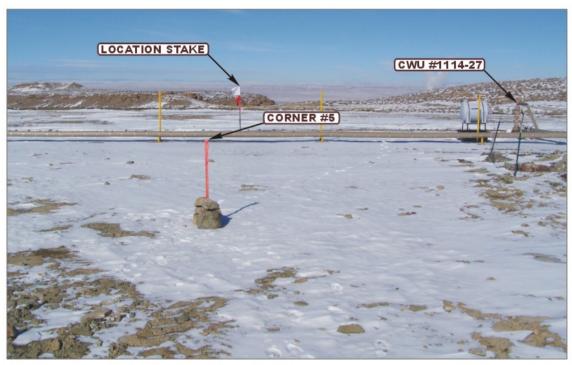


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHERLY

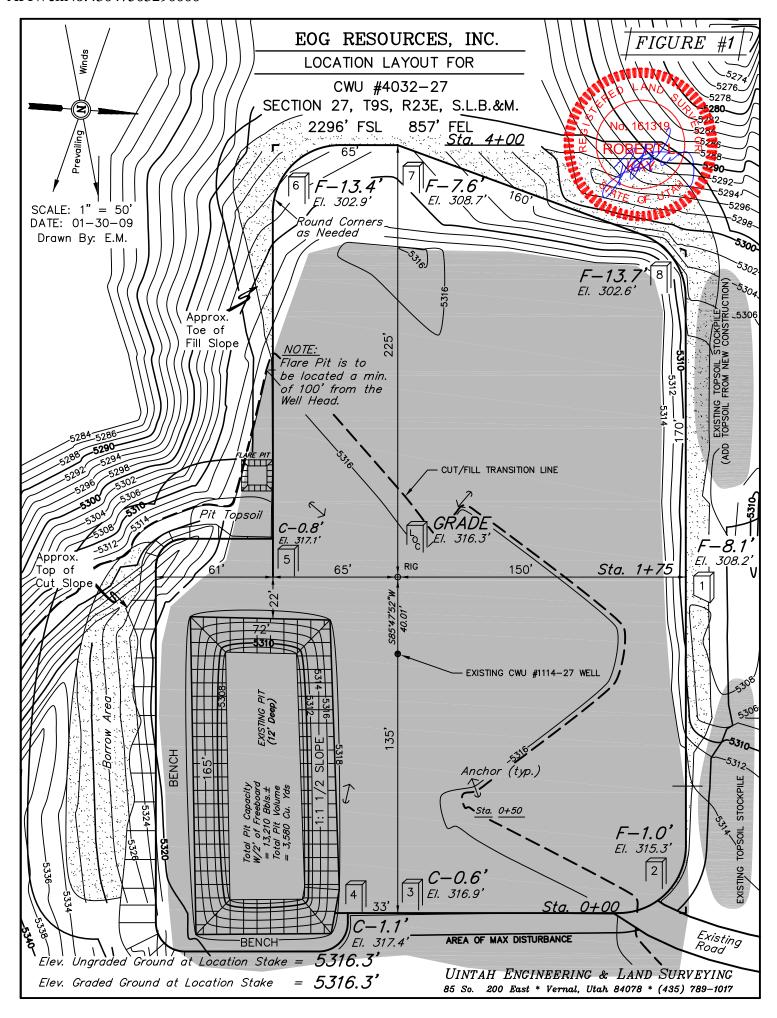


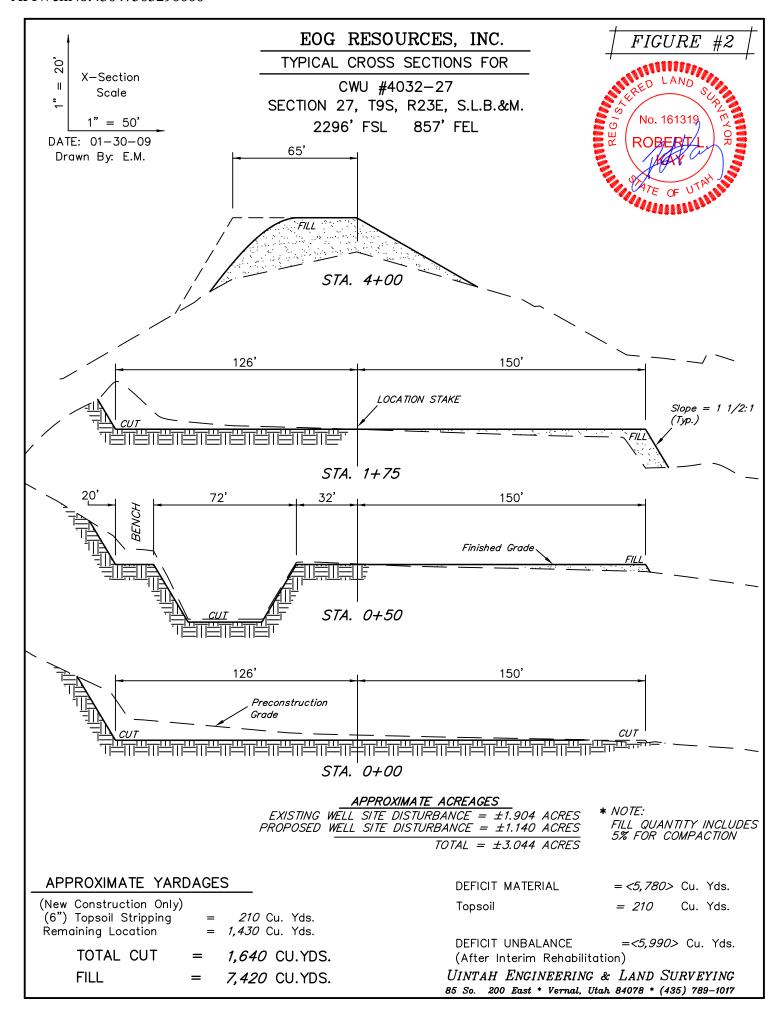
PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

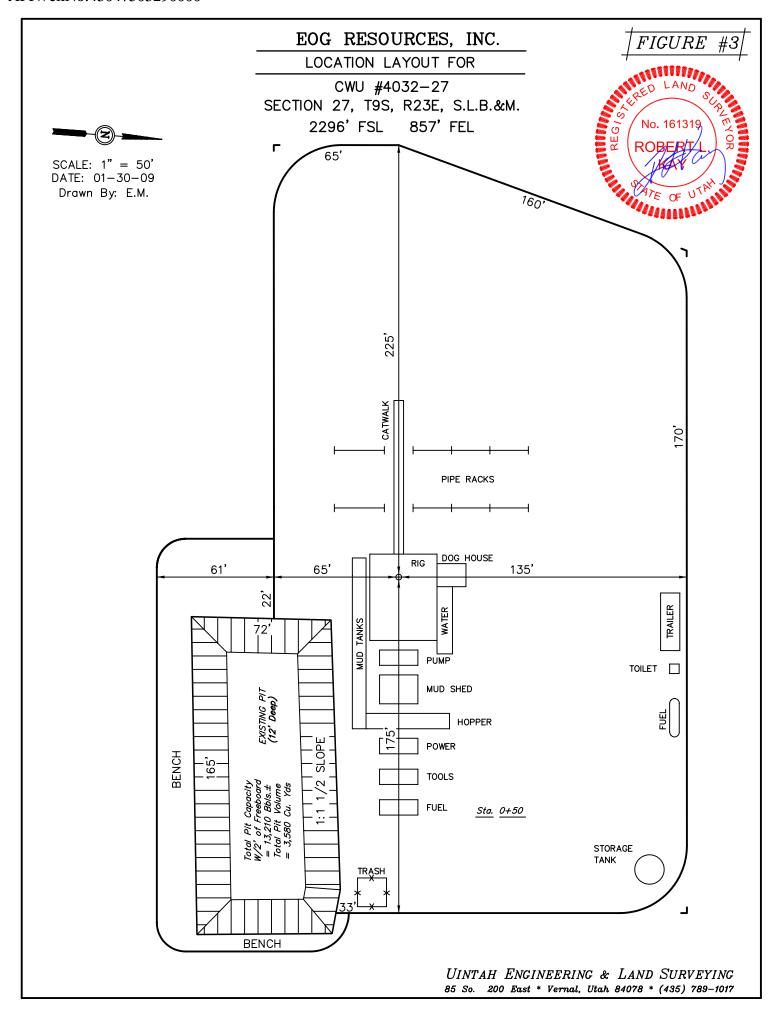
CAMERA ANGLE: SOUTHERLY

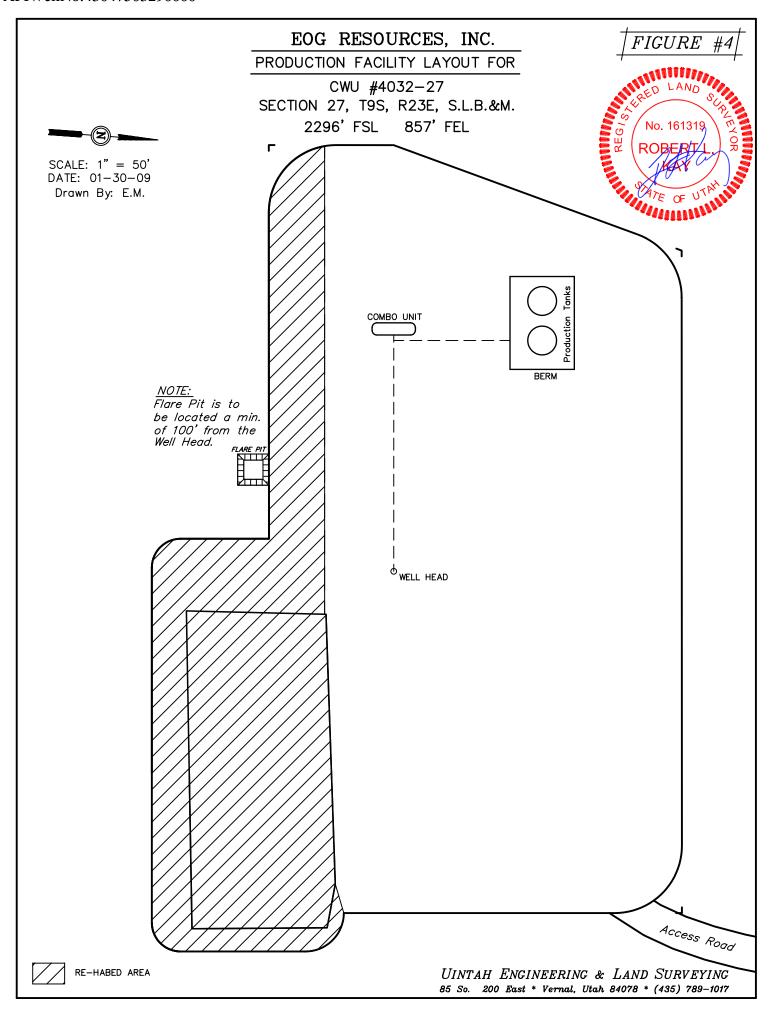


| LOCATION | | | | | рното |
|----------------|---------------|-------|---------|---------|-------|
| TAKEN BY: D.G. | DRAWN BY: Z.L | . REV | ISED: 0 | 0-00-00 | |





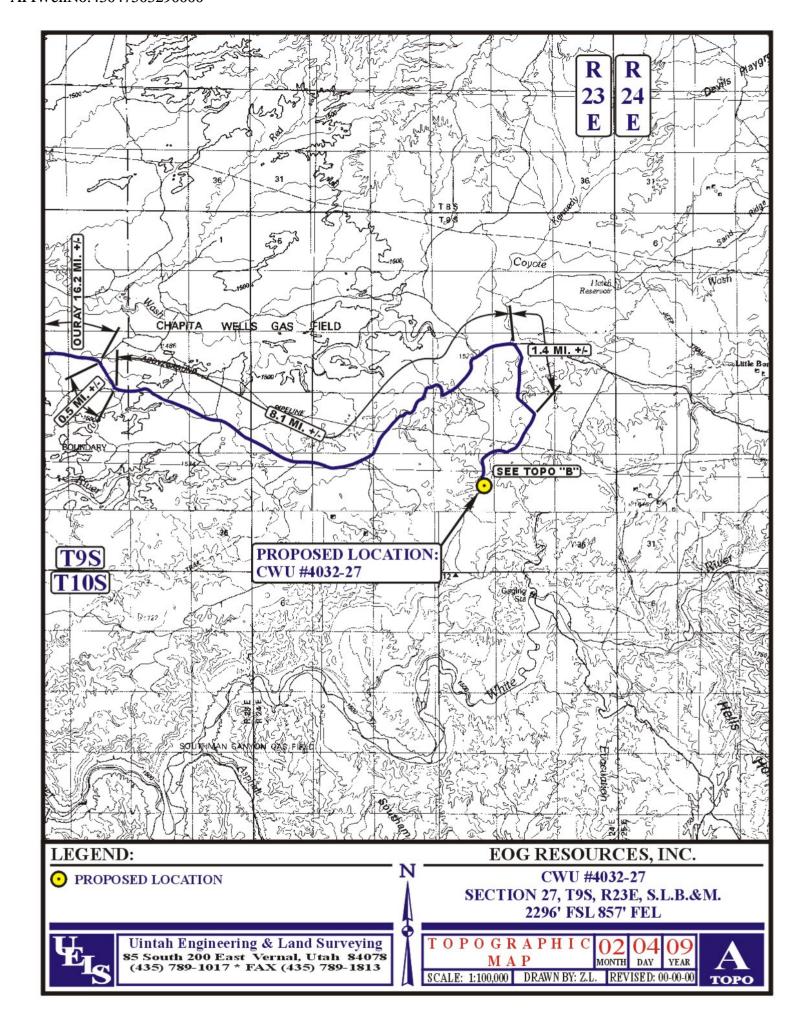


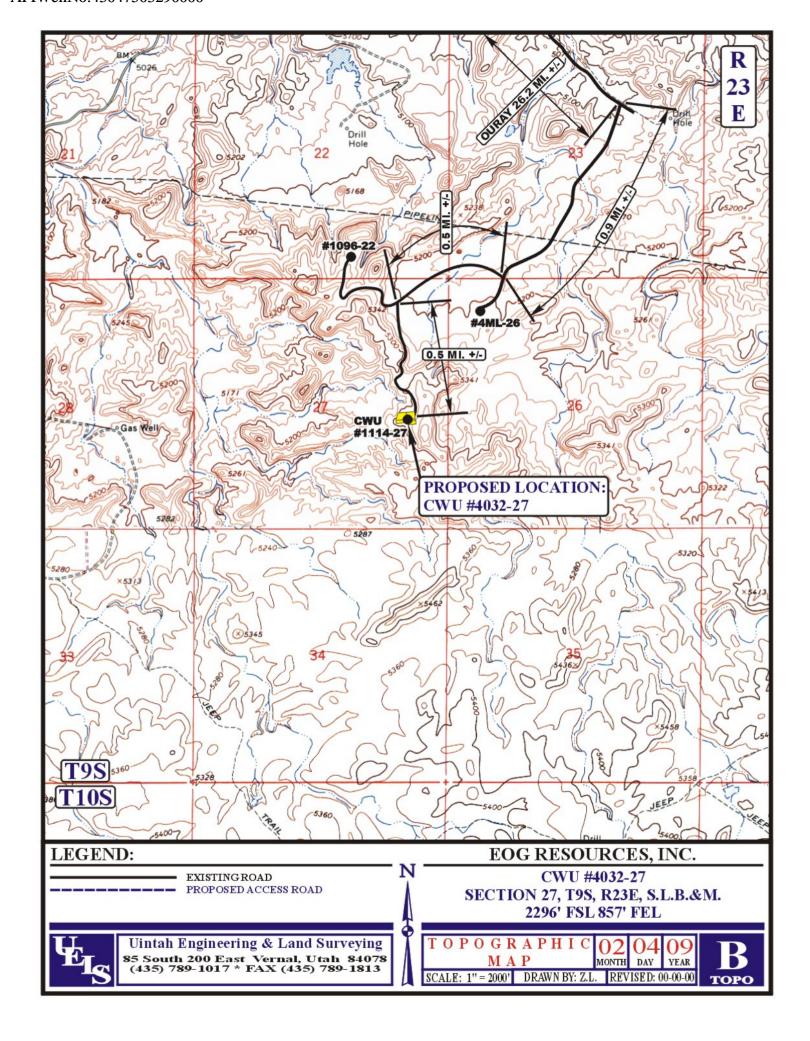


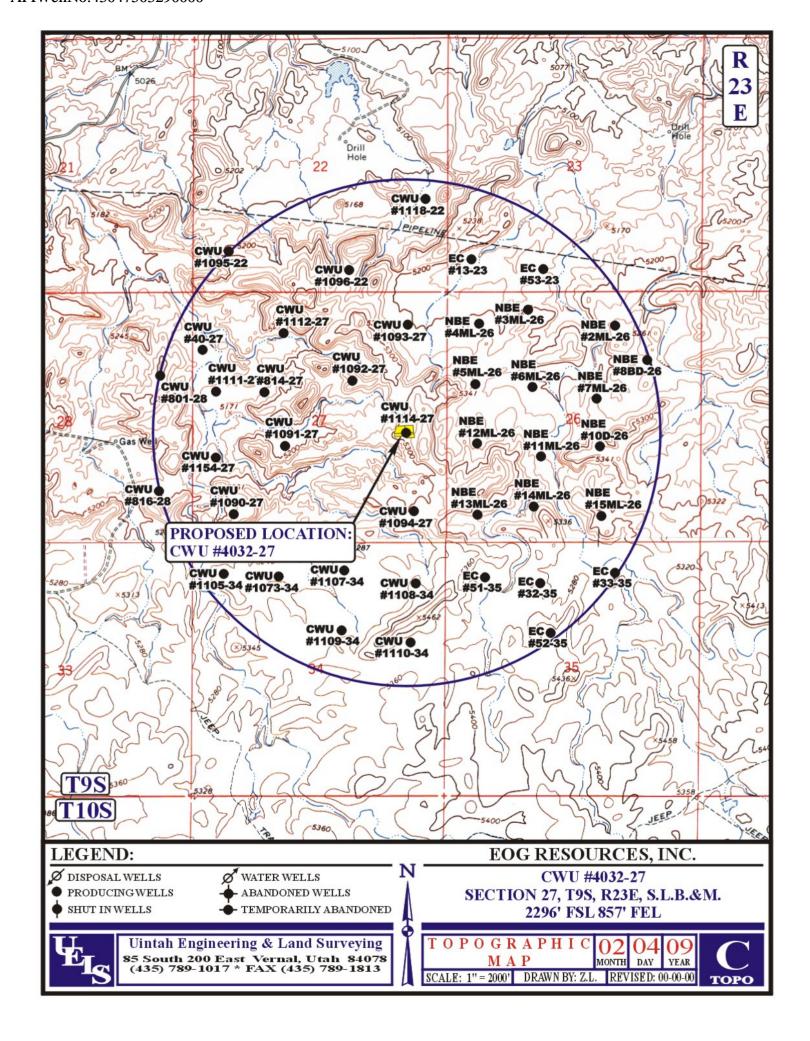
EOG RESOURCES, INC. CWU #4032-27 SECTION 27, T9S, R23E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; EXIT LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.3 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY DIRECTION APPROXIMATELY 12.3 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 1.7 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE LEFT AND PROCEED IN AN EASTERLY APPROXIMATELY 1.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY, THEN NORTHEASTERLY DIRECTION APPROXIMATELY 8.1 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHEAST; TURN RIGHT AND PROCEED SOUTHEASTERLY, THEN SOUTHERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 1.4 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTHWEST; TURN RIGHT AND PROCEED IN A SOUTHWESTERLY DIRECTION APPROXIMATELY 0.9 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE NORTHWEST; TURN RIGHT AND PROCEED IN A NORTHWESTERLY, THEN SOUTHWESTERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH: TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 0.5 MILES TO THE PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 59.1 MILES.









Chapita Wells Unit 4032-27 NESE, Section 27, T9S, R23E Uintah County, Utah

SURFACE USE PLAN

The well pad is approximately 400 feet long with a 276-foot width, containing 2.53 acres more or less. New surface disturbance associated with the well pad is estimated to be 2.53 acres.

1. EXISTING ROADS:

- A. See attached Plats showing directional reference stakes on location, and attached TOPO Map "B" showing access to location from existing roads.
- B. The proposed well site is located approximately 59.1 miles south of Vernal, Utah See attached TOPO Map "A".
- C. Refer to attached Topographic Map "A" showing labeled access route to location.
- D. Existing roads will be maintained and repaired as necessary.

2. PLANNED ACCESS ROAD:

- A. The existing access road for the Chapita Wells Unit 1114-27 will be used to access the proposed location. No new road will be required.
- B. No additional storage areas will be needed for storing equipment, stockpiling, or vehicle parking.

All travel will be confined to existing access road rights-of-way.

Traveling off the 30-foot right-of-way will not be allowed. The access road and associated drainage structures will be constructed and maintained in accordance with road guidelines contained in the joint BLM/USFS publication: Surface Operating Standards for Oil and Gas Exploration and Development, Fourth Edition, and/or BLM Manual Section 9113 concerning road construction standards on projects subject to federal jurisdiction. During the drilling and production phase of operations, the road surface and shoulders will be kept in a safe and useable condition and drainage ditches and culverts will be kept clear and free flowing.

3. LOCATION OF EXISTING WELLS WITHIN A ONE-MILE RADIUS:

See attached TOPO map "C" for the location of wells within a one-mile radius.

4. LOCATION OF EXISTING AND/OR PROPOSED PRODUCTION FACILITIES:

A. On Well Pad

- 1. Production facilities will be set on location if the well is successfully completed for production. Facilities will consist of wellhead valves, combo separator-dehy unit with meter, two (2) 400-bbl or one (1) 300-bbl vertical tanks and associated pipe.
- 2. Gas gathering lines A 4" gathering line will be buried from the dehy unit to the edge of the location.

B. Off Well Pad

1. No new off-pad pipeline will be required. The existing pipeline for the Chapita Wells Unit 1114-27 will be used to transport gas from the proposed location.

All permanent (on site for six months or longer) structures constructed or installed (including pumping units) will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the Rocky Mountain Five State Interagency Committee. All facilities will be painted within 6 months of installation. All facilities will be painted with Carlsbad Canyon or Covert Green. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

5. LOCATION AND TYPE OF WATER SUPPLY:

- A. Water supply will be Bonanza Power Plant water source in Sec 26, T8S, R23E, Uintah County, UT (State Water Right # 49-225(A31368)).
- B. Water will be hauled by a licensed trucking company.
- C. No water well will be drilled on lease.

6. Source of Construction Materials:

- A. All construction material for this pipeline will be of native borrow and soil accumulated during the construction of the location.
- B. No mineral materials will be required.

7. METHODS OF HANDLING WASTE DISPOSAL:

A. METHODS AND LOCATION

- 1. Cuttings will be confined in the reserve pit.
- 2. A portable toilet will be provided for human waste during the drilling and completion of the well. Disposal will be at the Vernal sewage disposal plant.

- 3. Burning will not be allowed. Trash and other waste material will be contained in a wire mesh cage and disposed of at the Uintah County Landfill.
- 4. Produced wastewater will be confined to a storage tank for a period not to exceed 90 days after initial production. After the 90 day period, the produced water will be contained in a tank on location and then disposed of at one of the following locations: Natural Buttes Unit 21-20B SWD, Ace Disposal, CWU 550-30N SWD CWU 2-29 SWD, Red Wash Evaporation Ponds 1, 2, 3, 4, 5, 6, or 7, or Coyote Evaporation Ponds 1, 2, 3, or 4, or White River Evaporation Ponds 1, or 2, or Hoss SWD Facility, right-of-way UTU 86010, UTU 897093 or EOG Resources, Inc. drilling operations (Chapita Wells Unit, Natural Buttes Unit & Stagecoach Unit).
- 5. All chemicals will be disposed of at an authorized disposal site. Drip pans and absorbent pads will be used on the drilling rig to avoid leakage of oil to the pit.
- B. Water from drilling fluids and recovered during testing operations will be disposed of by either evaporating in the reserve pit, through natural or artificial methods, or removed and disposed of at an authorized disposal site. Introduction of well bore hydrocarbons to the reserve pit will be avoided by flaring them off in the flare pit at the time of recovery.

The reserve pit will be constructed so as not to leak, break, or allow discharge. If the reserve pit requires padding prior to lining (due to rocky conditions) felt padding will be used.

The reserve pit shall be lined with **double felt**, and a **20-millimeter** plastic liner. Sufficient bedding (i.e. weed free straw, or hay; felt; polyswell or soil) will be used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash, scrap pipe, etc., that could puncture the liner will be disposed of in the pit. More stringent protective requirements may be deemed necessary by the Authorized Officer (A.O.)

EOG Resources, Inc. maintains a file, per 29 CFR 1910.1200 (g) containing current Material Safety Data Sheets (MSDS) for all chemicals, compounds, and/or substances which are used during the course of construction, drilling, completion, and production operations for this project. Hazardous materials (substances) which may be found at the site may include drilling mud and cementing products which are primarily inhalation hazards, fuels (flammable and/or combustible), materials that may be necessary for well completion/ stimulation activities such as flammable or combustible substances and acids/gels (corrosives). The opportunity for Superfund Amendments and Reauthorization Act (SARA) listed Extremely Hazardous Substances (EHS) at the site is generally limited to proprietary treating chemicals. All hazardous and EHS and commercial preparations will be handled in an appropriate manner to minimize the potential for leaks or spills to the environment.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling, testing, or completion of the well.

Furthermore, extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will not be used, produced, stored, transported, or disposed of in association with the drilling, testing or completion of the well.

8. ANCILLARY FACILITIES:

None anticipated.

9. WELL SITE LAYOUT:

- A. Refer to attached well site plat for related topography cuts and fills and cross sections.
- B. Refer to attached well site plat for rig layout.
- C. Refer to attached well site plat for rig orientation, parking areas, and access road.

The reserve pit will be located on the southeast corner of the location. The flare pit will be located downwind of the prevailing wind direction on the south side of the location, a minimum of 100 feet from the wellhead and 30 feet from the reserve pit fence.

The stockpiled pit topsoil (first six inches) will be stored separate from the location topsoil southwest of corner #5. The stockpiled location topsoil will be stored in a location providing easy access for interim reclamation and protection of the topsoil. Upon completion of construction, the stockpiled topsoil from the location will be broadcast seeded with the approved seed mixture from this location and then walked down with a Caterpillar tractor.

Access to the well pad will be from the northeast.

The corners of the well pad will be rounded off as needed to minimize excavation.

FENCING REQUIREMENTS:

All pits will be fenced according to the following minimum standards:

- A. Thirty-nine inch net wire shall be used with at least one strand of barbed wire on top of the net wire. (Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.)
- B. The net wire shall be no more than 2 inches above the ground. The barbed wire strand shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
- C. Corner posts shall be cemented and/or braced in such a manner as to keep the fence tight at all times.
- D. Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distances between any two posts shall be no greater than 16 feet.

E. All wire shall be stretched by using a stretching device before it is attached to the corner posts.

The reserve pit fencing will be on the three sides during drilling operations and on the fourth side when the rig moves off location. Pits will be fenced and maintained until clean-up.

Each existing fence to be crossed by the access road shall be braced and tied off before cutting so as to prevent slacking of the wire. The opening shall be closed temporarily as necessary during construction to prevent the escape of livestock, and, upon completion of construction, the fence shall be repaired to BLM or SMA specifications. Prior to crossing any fence located on Federal land, or any fence between Federal land and private land, the operator will contact the BLM, who will in turn contact the grazing permittee or owner of said fence and offer him/her the opportunity to be present when the fence is cut in order to satisfy himself/herself that the fence is adequately braced and tied off.

10. PLANS FOR RECLAMATION OF THE SURFACE:

A. Interim Reclamation (Producing Location)

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, equipment, debris, materials, trash, and junk not required for production.

Immediately upon well completion, any hydrocarbons on the pit shall be removed in accordance with CFR 3162.7-1.

If a plastic nylon reinforced liner is used, it shall be torn and perforated before backfilling of the reserve pit.

The reserve pit and that portion of the location not needed for production facilities/operations will be reseeded during interim reclamation. The reserve pit will be reclaimed within 6 months from the date of the well completion, or as soon as weather allows. Before any dirt takes place, the reserve pit must be completely dry and free of all foreign obstacles.

The stockpiled pit topsoil will then be spread over the pit area and broadcast seeded with the prescribed seed mixture for this location. The seeded area will then be walked down with a cat.

| Seed Mixture | Drilled Rate (lbs./acre PLS*) |
|--------------------|----------------------------------|
| HyCrest Wheatgrass | 5.0 |
| Shadscale | 4.0 |
| Prostrate Kochia | 3.0 |

^{*}Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

B. Dry Hole/Abandoned Location

At such time as the well is plugged and abandoned, the operator will submit a subsequent report of abandonment and the BLM will attach the appropriate surface rehabilitation conditions of approval.

| Seed Mixture | Drilled Rate (lbs./acre PLS*) |
|------------------------|----------------------------------|
| Wyoming Big Sage | 1.0 |
| Shadscale | 4.0 |
| Needle and Threadgrass | 4.0 |
| HyCrest Wheatgrass | 2.0 |
| Scarlet Globe Mallow | 1.0 |

^{*}Pure live seed (PLS) formula: percent of purity of seed mixture times percent germination of seed mixture equals portion of seed mixture that is PLS.

11. SURFACE OWNERSHIP:

Surface ownership of the proposed well site, access road, and pipeline route is as follows:

Bureau of Land Management

12. OTHER INFORMATION:

- A. EOG Resources, Inc. will inform all persons in the area who are associated with this project that they are subject to prosecution for knowingly disturbing historic or archaeological sites, or for collecting artifacts. If historic or archaeological materials are uncovered during construction, the operator will immediately stop work that might further disturb such materials, and contact the Authorized Officer. Within five working days the Authorized Officer will inform the operator as to:
 - Whether the materials appear eligible for the National Register of Historic Places:
 - The mitigation measures the operator will likely have to undertake before the site can be used.

 A time frame for the Authorized Officer to complete an expedited review under 36 CFR 800.11 to confirm, through the State Historic Preservation Officer, that the findings of the Authorized Officer are correct and that mitigation is appropriate.

If the operator wished, at any time, to relocate activities to avoid the expense of mitigation and/or the delays associated with this process, the Authorized Officer will assume responsibility for whatever recordation and stabilization of the exposed materials that may be required. Otherwise, the operator will be responsible for mitigation costs. The Authorized Officer will provide technical and procedural guidelines for the conduct of mitigation. Upon verification from the Authorized Officer that required mitigation has been completed, the operator will then be allowed to resume construction.

- B. As operator, EOG Resources, Inc. will control noxious weeds along rights-of-way for roads, pipelines, well sites, or other applicable facilities. A list of noxious weeds will be obtained from the BLM administered land, a Pesticide Use proposal shall be submitted, and given approval, prior to the application or herbicides or other pesticides or possible hazardous chemicals.
- C. Drilling rigs and/or equipment used during drilling operations on this well site will not be stacked or stored on BLM lands after the conclusion of drilling operations or at any other time without BLM authorization. However, if BLM authorization is obtained, it is only a temporary measure to allow time to make arrangements for permanent storage on commercial facilities.
- D. The drilling rig and ancillary equipment will be removed from the location prior to commencement of completion operations. Completion operations will be conducted utilizing a completion/workover rig.

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice of Lessees. The operator is fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Construction activity will not be conducted using frozen or saturated soils material or during periods when watershed damage is likely to occur.

If the existing access road, proposed access road, and proposed pad are dry during construction, drilling, and completion activities, water will be applied to help facilitate compaction during construction and to minimize soil loss as a result of wind erosion.

A cultural resources survey was conducted and will be submitted by Montgomery Archaeological Consultants. A paleontological survey was conducted and will be submitted by Intermountain Paleo.

CHAPITA WELLS UNIT 4032-27 Surface Use Plan

Page 8

Additional Surface Stipulations:

None.

Page 9

LESSEE OR OPERATOR'S REPRESENTATIVE AND CERTIFICATION:

PERMITTING AGENT

Mary A. Maestas EOG Resources, Inc. 1060 East Highway 40 Vernal, UT 84078 (435) 781-9111

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved plan of operations, and any applicable Notice to Lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to insure compliance.

The operator or his/her contractor shall contact the BLM office at (435) 781-4400 forty-eight (48) hours prior to construction activities.

CERTIFICATION:

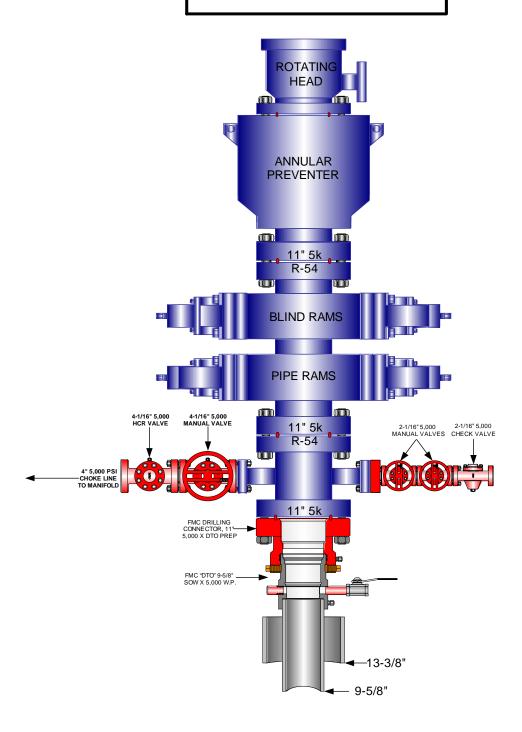
I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill site and access route; that I am familiar with the conditions which currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and that the work associated with the operations proposed herein will be performed by EOG Resources, Inc. and its contractors and subcontractors in conformity with this plan and the terms and conditions under which it is approved. This statement is subject to the provisions of 18 U.S.C. 1001 for the filing of a false statement.

Please be advised that EOG Resources, Inc. is considered to be the operator of the Chapita Wells Unit 4032-27 Well, located in the NESE, of Section 27, T9S, R23E, Uintah County, Utah; Federal land and minerals; and is responsible under the terms and conditions of the lease for the operations conducted upon the leased lands. Bond Coverage is under Bond # NM 2308.

| April 1, 2009 | |
|---------------|---------------------------------------|
| Date | Mary A. Maestas, Regulatory Assistant |

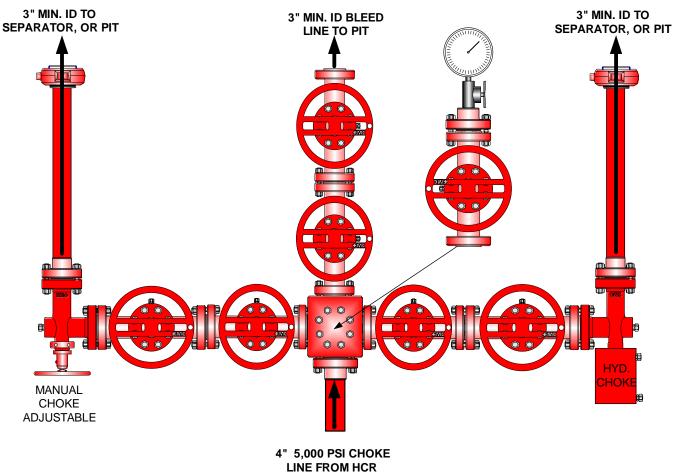
EOG RESOURCES 11" 5,000 PSI W.P. BOP CONFIGURATION

PAGE 1 OF 2



EOG RESOURCES CHOKE MANIFOLD CONFIGURATION W/5,000 PSI WP VALVES

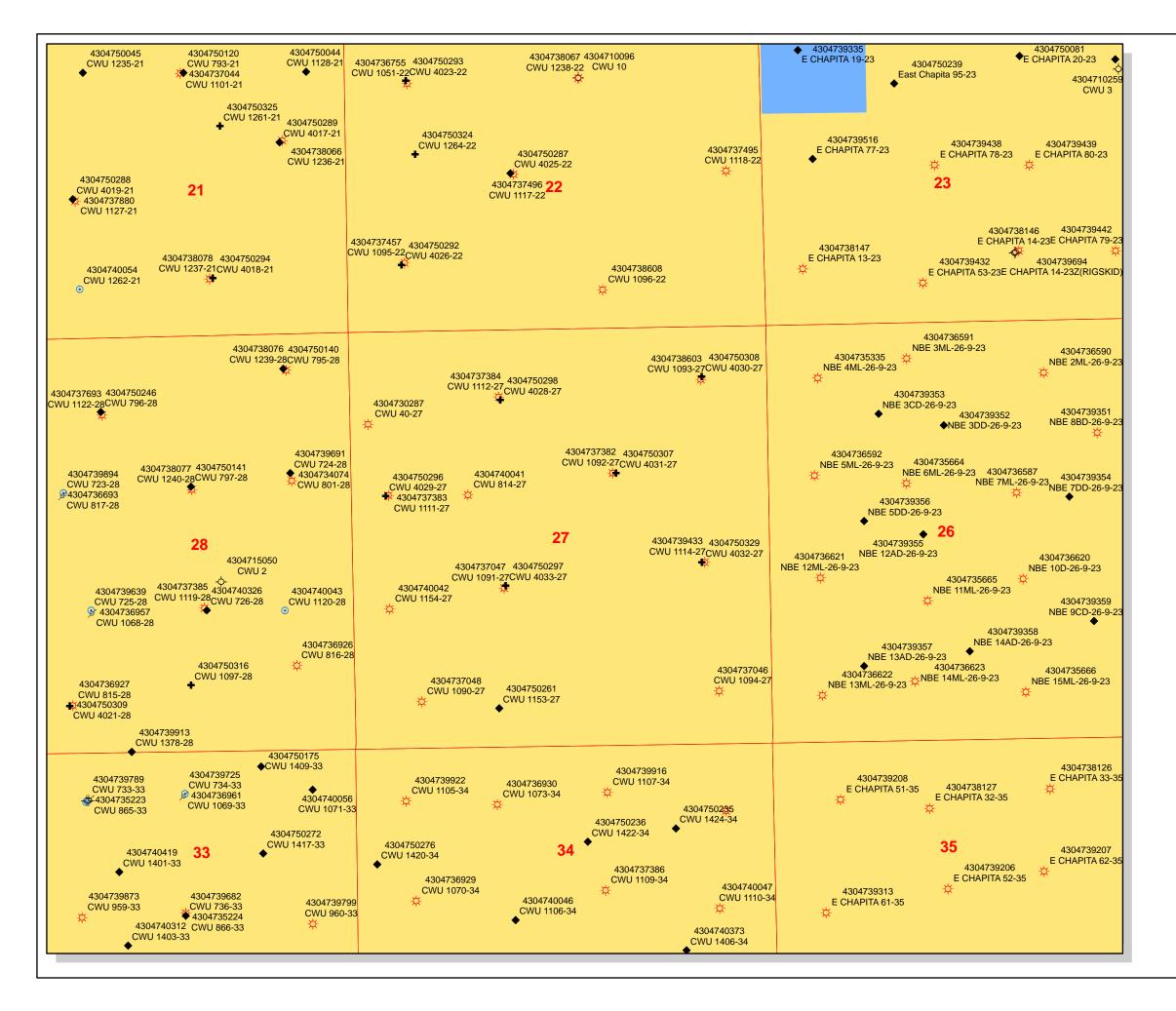
PAGE 2 0F 2



LINE FROM HCR VALVE

Testing Procedure:

- 1. BOP will be tested with a professional tester to conform to Onshore Order #2.
- 2. Blind and Pipe rams will be tested to rated working pressure, 5,000 psi.
- 3. Annular Preventer will be tested to 50% working pressure, 2,500 psi. Casing will be tested to 0.22 psi / ft. or 1,500 psi. Not to exceed 70% of burst strength, whichever is greater.
- 4. All lines subject to well pressure will be tested to the same pressure as blind and pipe rams.
- 5. All BOPE specifications and configurations will meet Onshore Order #2 requirements.

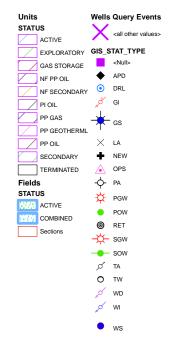


API Number: 4304750329 Well Name: CWU 4032-27

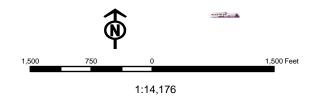
Township 09.0 S Range 23.0 E Section 27

Meridian: SLBMOperator: EOG RESOURCES, INC.

Map Prepared:
Map Produced by Diana Mason







United States Department of the Interior

BUREAU OF LAND MANAGEMENT Utah State Office P.O. Box 45155 Salt Lake City, Utah 84145-0155

IN REPLY REFER TO: 3160 (UT-922)

April 6, 2009

Memorandum

To: Assistant District Manager Minerals, Vernal District

From: Michael Coulthard, Petroleum Engineer

Subject: 2009 Plan of Development Chapita Wells Unit Uintah

County, Utah.

Pursuant to email between Diana Whitney, Division of Oil, Gas and Mining, and Mickey Coulthard, Utah State Office, Bureau of Land Management, the following wells are planned for calendar year 2009 within the Chapita Wells Unit, Uintah County, Utah.

API# WELL NAME LOCATION

(Proposed PZ Wasatch)

43-047-50328 CWU 4012-19 Sec 19 T09S R23E 1792 FSL 0507 FEL 43-047-50329 CWU 4032-27 Sec 27 T09S R23E 2296 FSL 0857 FEL 43-047-50330 CWU 4004-30 Sec 30 T09S R23E 0722 FSL 2214 FEL 43-047-50331 CWU 737-33 Sec 33 T09S R23E 2106 FSL 0700 FWL 43-047-50332 CWU 4011-18 Sec 18 T09S R23E 2204 FSL 0494 FEL 43-047-50336 CWU 4053-27 Sec 27 T09S R23E 0570 FSL 0830 FWL 43-047-50338 CWU 4027-22 Sec 22 T09S R23E 0433 FSL 2057 FEL 43-047-50337 CWU 4035-34 Sec 34 T09S R23E 2033 FSL 0782 FEL

(Proposed PZ Mesaverde)

43-047-50327 CWU 1139-19 Sec 19 T09S R23E 0484 FSL 0489 FEL 43-047-50335 CWU 1267-22 Sec 22 T09S R23E 1980 FSL 1980 FEL 43-047-50334 CWU 1265-22 Sec 22 T09S R23E 0780 FSL 1925 FWL

This office has no objection to permitting the wells at this time.

/s/ Michael L. Coulthard

bcc: File - Chapita Wells Unit

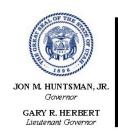
Division of Oil Gas and Mining

Central Files Agr. Sec. Chron Fluid Chron

WORKSHEET APPLICATION FOR PERMIT TO DRILL

| APD RECEIVED: | 4/1/2009 | API NO. ASSIGNED: | 43047503290000 |
|---------------------------------|---------------------------|------------------------------------|----------------|
| WELL NAME: | CWU 4032-27 | | |
| OPERATOR: | EOG Resources, Inc. (N955 | 50) PHONE NUMBER: | 303 824-5526 |
| CONTACT: | Mary Maestas | | |
| PROPOSED LOCATION: | NESE 27 090S 230E | Permit Tech Review: | |
| SURFACE: | 2296 FSL 0857 FEL | Engineering Review: | |
| воттом: | 2296 FSL 0857 FEL | Geology Review: | |
| COUNTY: | UINTAH | | |
| LATITUDE: | 40.00605 | LONGITUDE: | -109.30600 |
| UTM SURF EASTINGS: | 644594.00 | NORTHINGS: | 4429593.00 |
| FIELD NAME: | NATURAL BUTTES | | |
| LEASE TYPE: | 1 - Federal | | |
| LEASE NUMBER: | UTU0344A | PROPOSED FORMATION: | PRRV |
| SURFACE OWNER: | 1 - Federal | COALBED METHANE: | NO |
| RECEIVED AND/OR REVIEWE | D: | LOCATION AND SITING: | |
| ⊭ PLAT | | R649-2-3. | |
| ▶ Bond: FEDERAL - NM2308 | | Unit: CHAPITA WELLS | |
| Potash | | R649-3-2. General | |
| Oil Shale 190-5 | | | |
| Oil Shale 190-3 | | R649-3-3. Exception | |
| Oil Shale 190-13 | | ✓ Drilling Unit | |
| Water Permit: 49-225 | | Board Cause No: Cause 179-8 | |
| RDCC Review: | | Effective Date: 8/10/1999 | |
| Fee Surface Agreement | | Siting: Suspends General Siting | |
| Intent to Commingle | | R649-3-11. Directional Drill | |
| | | | |
| Comments: Presite Compl | eted | | |
| | | | |
| Stipulations: 4 - Federal A | approval - dmason | | |

API Well No: 43047503290000



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

Permit To Drill

Well Name: CWU 4032-27 API Well Number: 43047503290000

Lease Number: UTU0344A Surface Owner: FEDERAL Approval Date: 4/8/2009

Issued to:

EOG Resources, Inc., 1060 East Highway 40, Vernal, UT 84078

Authority:

Pursuant to Utah Code Ann. §40-6-1 et seq., and Utah Administrative Code R649-3-1 et seq., the Utah Division of Oil, Gas and Mining issues conditions of approval, and permit to drill the listed well. This permit is issued in accordance with the requirements of Cause 179-8.

Duration:

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date

General:

Compliance with the requirements of Utah Admin. R. 649-1 et seq., the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

Conditions of Approval:

State approval of this well does not supercede the required federal approval, which must be obtained prior to drilling.

Notification Requirements:

Notify the Division with 24 hours of spudding the well.

• Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

• Contact Dustin Doucet at (801) 538-5281 office (801) 733-0983 home

Reporting Requirements:

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

API Well No: 43047503290000

Approved By:

For Gil Hunt Associate Director, Oil & Gas

| | STATE OF UTAH | | FORM 9 |
|--|---|---|---|
| | NG | 5.LEASE DESIGNATION AND SERIAL NUMBER: UTU0344A | |
| SUNDF | RY NOTICES AND REPORTS O | ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: |
| | sals to drill new wells, significantly deepen e ggged wells, or to drill horizontal laterals. Use | | 7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS |
| 1. TYPE OF WELL Gas Well | | | 8. WELL NAME and NUMBER: CWU 4032-27 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | | 9. API NUMBER: 43047503290000 |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Verna | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2296 FSL 0857 FEL | | | COUNTY: UINTAH |
| QTR/QTR, SECTION, TOWNSHI Qtr/Qtr: NESE Section: 27 | | STATE: UTAH | |
| 11. CHE | CK APPROPRIATE BOXES TO INDICATE | NATURE OF NOTICE, REPORT, | OR OTHER DATA |
| TYPE OF SUBMISSION | | TYPE OF ACTION | |
| | CHANGE TO PREVIOUS PLANS CHANGE WELL STATUS DEEPEN OPERATOR CHANGE PRODUCTION START OR RESUME REPERFORATE CURRENT FORMATION TUBING REPAIR WATER SHUTOFF WILDCAT WELL DETERMINATION DMPLETED OPERATIONS. Clearly show all pertires and the APD feather | or the referenced well be | CASING REPAIR CHANGE WELL NAME CONVERT WELL TYPE NEW CONSTRUCTION PLUG BACK RECOMPLETE DIFFERENT FORMATION TEMPORARY ABANDON WATER DISPOSAL ✓ APD EXTENSION OTHER: Columes, etc. Approved by the Utah Division of Oil, Gas and Mining ate: March 31, 2010 y: |
| NAME (PLEASE PRINT) | PHONE NUMBER | TITLE | |
| Mickenzie Gates SIGNATURE | 435 781-9145 | Operations Clerk DATE | |
| N/A | | 3/25/2010 | |



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047503290000

API: 43047503290000 Well Name: CWU 4032-27

Location: 2296 FSL 0857 FEL QTR NESE SEC 27 TWNP 090S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 4/8/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that requ

| informat uire revis | tion as submitted in the sion. Following is a che | e previou cklist of | usly approved a some items rel | pplication to d ated to the app | rill, rema plication, | ins valid and does not which should be verified. |
|------------------------|--|------------------------|-----------------------------------|------------------------------------|--------------------------|--|
| | eted on private land, ha ed? 📗 Yes 📵 No | s the ov | vnership change | ed, if so, has th | ne surfac | e agreement been |
| | any wells been drilled in requirements for this | | | | ich would | d affect the spacing or |
| | nere been any unit or o s proposed well? | | eements put in No | place that coul | d affect | the permitting or operation |
| | there been any change the proposed location | | | luding owners | ship, or ri | ghtof- way, which could |
| • Has th | ne approved source of | water fo | r drilling change | d? 📵 Yes 🌘 | No No | |
| | there been any physica e in plans from what w | | | | | te which will require a es 📵 No |
| • Is bor | nding still in place, whi | ch cover | s this proposed | well? 📵 Yes | | Approved by the Utah Division of Oil, Gas and Mining |
| nature: | Mickenzie Gates | Date: | 3/25/2010 | | | |
| Title: | Operations Clerk Repre | senting: | EOG RESOURCE | S, INC. | Date | March 31, 2010 |
| | · | _ | | | D = = 1 | ROCANN |

Sig

Sundry Number: 13682 API Well Number: 43047503290000

| | STATE OF UTAH | | | | FORM 9 |
|--|---|-------|-----------------------------------|---------------------------------------|---|
| | DEPARTMENT OF NATURAL RESOUR DIVISION OF OIL, GAS, AND M | | 3 | 5.LEAS | E DESIGNATION AND SERIAL NUMBER: 344A |
| SUNDF | RY NOTICES AND REPORTS | 5 ON | I WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | |
| | sals to drill new wells, significantly deepe agged wells, or to drill horizontal laterals. | | | | or CA AGREEMENT NAME: ITA WELLS |
| 1. TYPE OF WELL Gas Well | | | | | L NAME and NUMBER: 4032-27 |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | | | | NUMBER: 503290000 |
| 3. ADDRESS OF OPERATOR: 1060 East Highway 40 , Verna | | | UMBER: xt | | D and POOL or WILDCAT: RAL BUTTES |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2296 FSL 0857 FEL | COUNT | | | | |
| QTR/QTR, SECTION, TOWNSHI | P, RANGE, MERIDIAN: Township: 09.0S Range: 23.0E Meridian | : S | | STATE: UTAH | |
| 11. CHE | CK APPROPRIATE BOXES TO INDICA | ATE N | ATURE OF NOTICE, REPORT | , OR OT | HER DATA |
| TYPE OF SUBMISSION | | | TYPE OF ACTION | | |
| _ | ACIDIZE | | ALTER CASING | | CASING REPAIR |
| NOTICE OF INTENT Approximate date work will start: | ☐ CHANGE TO PREVIOUS PLANS | | CHANGE TUBING | | CHANGE WELL NAME |
| 3/21/2011 | ☐ CHANGE WELL STATUS | | COMMINGLE PRODUCING FORMATIONS | | CONVERT WELL TYPE |
| SUBSEQUENT REPORT | ☐ DEEPEN | □ ı | FRACTURE TREAT | | NEW CONSTRUCTION |
| Date of Work Completion: | OPERATOR CHANGE | □ ı | PLUG AND ABANDON | | PLUG BACK |
| _ | ☐ PRODUCTION START OR RESUME | | RECLAMATION OF WELL SITE | | RECOMPLETE DIFFERENT FORMATION |
| SPUD REPORT Date of Spud: | REPERFORATE CURRENT FORMATION | □ : | SIDETRACK TO REPAIR WELL | | TEMPORARY ABANDON |
| | ☐ TUBING REPAIR | | VENT OR FLARE | | WATER DISPOSAL |
| ☐ DRILLING REPORT | ☐ WATER SHUTOFF | □ ; | SI TA STATUS EXTENSION | 1 | APD EXTENSION |
| Report Date: | □ WILDCAT WELL DETERMINATION | | OTHER | отн | ER: |
| | respectfully requests the AF extended for one year | D for | r the referenced well b | e , | Approved by the Utah Division of I, Gas and Mining 03/23/2011 |
| NAME (PLEASE PRINT) Michelle Robles | PHONE NUMBE 307 276-4842 | R | TITLE Regulatory Assistant | | |
| SIGNATURE N/A | | | DATE 3/21/2011 | | |

Sundry Number: 13682 API Well Number: 43047503290000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047503290000

API: 43047503290000 **Well Name:** CWU 4032-27

Location: 2296 FSL 0857 FEL QTR NESE SEC 27 TWNP 090S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 4/8/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

| If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No |
|--|
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No |
| • Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No |
| Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No |
| • Has the approved source of water for drilling changed? Yes No |
| Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No |
| • Is bonding still in place, which covers this proposed well? Yes No |
| |

Signature: Michelle Robles **Date:** 3/21/2011

Title: Regulatory Assistant **Representing:** EOG RESOURCES, INC.

Form 3160-5 (August 2007)

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

RECEIVE

JUL 2 0 2011

FORM APPROVED OMB NO. 1004-0135 Expires: July 31, 2010

| ι | JN | DF | ۲Y | N | OT | 'IC | ES | ΑN | ۷D | RE | PO | RTS | ON | WEI | LLS | |
|---|-----|----|-----|-----|----|-----|----|----|----|----|----|-----|----|-----|-----|--|
| _ | 4 . | | 45. | • - | e | | | | | | | | | | | |

S

5. Lease Serial No. UTU0344A

| Do not use the abandoned we | is form for proposals to d II. Use form 3160-3 (APD) | rill or to re for such p | enter oropos | an als <mark>B</mark> | M | 6. If Indian, Allottee | or Tribe Name |
|---|--|--------------------------------|--------------------------|---|----------------------------------|---|-------------------------|
| SUBMIT IN TRI | PLICATE - Other instructi | ons on rev | erse s | ide. | | 7. If Unit or CA/Agr UTU63013X | reement, Name and/or No |
| 1. Type of Well | | | <u></u> | | | 8. Well Name and No | 0. |
| Oil Well 🛛 Gas Well 🔲 Otl | ner | | | | | CWU 4032-27 | |
| Name of Operator EOG RESOURCES INC | Contact: M E-Mail: MICKENZIE_ | | | | M | 9. API Well No. 43-047-50329- | -00-X1 |
| 3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078 | | 3b. Phone No Ph: 453.78 | | | | 10. Field and Pool, o NATURAL BU | r Exploratory TTES |
| 4. Location of Well (Footage, Sec., 7 | ., R., M., or Survey Description) | | | | | 11. County or Parish | , and State |
| Sec 27 T9S R23E NESE 2296 40.006008 N Lat, 109.306647 | | | | | | UINTAH COUI | NTY, UT |
| 12. CHECK APPI | ROPRIATE BOX(ES) TO I | INDICATE | NATU | JRE OF N | OTICE, RI | EPORT, OR OTHE | ER DATA |
| TYPE OF SUBMISSION | | | | TYPE OF | ACTION | | |
| Notice of Intent | □ ^{Acidize} | □ Dee | pen | | □ Product | ion (Start/Resume) | ☐ Water Shut-Off |
| _ _ | ☐ Alter Casing | □ Frac | cture Tre | at | □ Reclam | ation | ☐ Well Integrity |
| ☐ Subsequent Report | ☐ Casing Repair | □ Nev | v Constr | uction | □ Recomp | olete | Other Change to Origina |
| Final Abandonment Notice | Change Plans | □ Plug | g and Ab | andon | □ Tempor | arily Abandon | PD Change to Origina |
| | Convert to Injection | □ Plug | g Back | | □ Water I | Disposal | |
| EOG Resources, Inc. respects CONDITIONS OF API | | RE | ECEI | be extend VED 1 2011 BAS & MIN | VERNA ENG. L GEOL. | years. AL FIELD OFFICE PLH 9(ス3/1) | |
| 14. I hereby certify that the foregoing is | true and correct | | | | - ye - net and months and series | COMPLETE THE SAME AND ASSESSED TO THE SAME AND ASSESSED ASSESSED. | ripacity 1 |
| | Electronic Submission #113 For EOG RE nitted to AFMSS for processi | SOURCES | INC. se | nt to the Ve NSEN on 0 | ernal | 11RRH3413SE) | |
| | | - | | | | | |
| Signature (Electronic S | | | Date | 07/20/20 | | | |
| | THIS SPACE FOR | FEDERA | LOR | STATE O | FFICE US | SE | |
| Approved By June 1 | | | Title | | tant Field I & Mineral I | | SEP 3.8 2011 |
| Conditions of approval, it any set attached ertify that the applicant holds legal or equ which would entitle the applicant to condu | itable title to those rights in the suct operations thereon. | ubject lease | Office | | | FIELD OFFICE | |
| itle 18 U.S.C. Section 1001 and Title 43 States any false, fictitious or fraudulent s | J.S.C. Section 1212, make it a critatements or representations as to | ime for any pe any matter w | erson kno ithin its j | wingly and vurisdiction. | villfully to m | ake to any department o | or agency of the United |

** BLM REVISED ** BLM REVISED ** BLM REVISED ** BLM REVISED **

CONDITIONS OF APPROVAL

EOG RESOURCES INC

Notice of Intent APD Extension

Lease:

UTU-0344A

Well:

CWU 4032-27

Location:

NESE Sec 27-T9S-R23E

An extension for the referenced APD is granted only to 03/31/2013 and not to 7/27/2013 as requested with the following conditions:

- 1. The extension and APD shall expire on 3-31-2013.
- 2. No other extension shall be granted.

The well specific NEPA was a Categorical Exclusion reference Section 390 of the Energy Policy Act of 2005 with a five year spud date condition based upon the signature date of the EIS which was on 03/31/2008.

If you have any other questions concerning this matter, please contact Robin L Hansen of this office at (435) 781-2777

Sundry Number: 24670 API Well Number: 43047503290000

| | STATE OF UTAH | | FORM 9 | | | | | |
|--|---|-----------------------------------|--|--|--|--|--|--|
| | DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | | | | | | |
| SUNDF | RY NOTICES AND REPORTS (| ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | | | |
| | oposals to drill new wells, significantly or reenter plugged wells, or to drill horizor n for such proposals. | | 7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS | | | | | |
| 1. TYPE OF WELL Gas Well | | | 8. WELL NAME and NUMBER: CWU 4032-27 | | | | | |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | | | | | | | | |
| 3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000 | 0 N , Denver, CO, 80202 | PHONE NUMBER: 435 781-9111 Ext | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES | | | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2296 FSL 0857 FEL | | | COUNTY: UINTAH | | | | | |
| QTR/QTR, SECTION, TOWNSI Qtr/Qtr: NESE Section: 2 | STATE: UTAH | | | | | | | |
| 11. CHEC | K APPROPRIATE BOXES TO INDICAT | E NATURE OF NOTICE, REPOR | RT, OR OTHER DATA | | | | | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | | | | |
| 7 | ACIDIZE | ALTER CASING | CASING REPAIR | | | | | |
| NOTICE OF INTENT Approximate date work will start: | CHANGE TO PREVIOUS PLANS | CHANGE TUBING | CHANGE WELL NAME | | | | | |
| 4/10/2012 | CHANGE WELL STATUS | COMMINGLE PRODUCING FORMATIONS | CONVERT WELL TYPE | | | | | |
| SUBSEQUENT REPORT | DEEPEN | FRACTURE TREAT | NEW CONSTRUCTION | | | | | |
| Date of Work Completion: | OPERATOR CHANGE | PLUG AND ABANDON | PLUG BACK | | | | | |
| | PRODUCTION START OR RESUME | RECLAMATION OF WELL SITE | RECOMPLETE DIFFERENT FORMATION | | | | | |
| SPUD REPORT Date of Spud: | REPERFORATE CURRENT FORMATION | SIDETRACK TO REPAIR WELL | TEMPORARY ABANDON | | | | | |
| | TUBING REPAIR | VENT OR FLARE | WATER DISPOSAL | | | | | |
| DRILLING REPORT | WATER SHUTOFF | SI TA STATUS EXTENSION | ✓ APD EXTENSION | | | | | |
| Report Date: | | | OTHER | | | | | |
| | WILDCAT WELL DETERMINATION | OTHER | OTHER: | | | | | |
| I . | completed operations. Clearly show a nc. respectfully requests the A well be extended for one year. | APD for the referenced | Approved by the Utah Division of Oil, Gas and Mining | | | | | |
| | | | Date: April 10, 2012 | | | | | |
| | | | By: Boogylll | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| NAME (PLEASE PRINT) | PHONE NUMBI | ER TITLE | | | | | | |
| Mickenzie Gates | 435 781-9145 | Operations Clerk | | | | | | |
| SIGNATURE N/A | | DATE 4/10/2012 | | | | | | |

Sundry Number: 24670 API Well Number: 43047503290000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047503290000

API: 43047503290000 Well Name: CWU 4032-27

Location: 2296 FSL 0857 FEL QTR NESE SEC 27 TWNP 090S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 4/8/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

| ······ |
|--|
| If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No |
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No |
| Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No |
| Have there been any changes to the access route including ownership, or rightof- way, which could affect the proposed location? Yes No |
| • Has the approved source of water for drilling changed? 🔵 Yes 🌘 No |
| • Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No |
| • Is bonding still in place, which covers this proposed well? Yes No |
| nature: Mickenzie Gates Date: 4/10/2012 |

Title: Operations Clerk Representing: EOG RESOURCES, INC.

Sundry Number: 36149 API Well Number: 43047503290000

| | STATE OF UTAH | | FORM 9 | | | | | |
|--|--|--------------------------------------|---|--|--|--|--|--|
| | DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING | | | | | | | |
| SUNDF | RY NOTICES AND REPORTS | ON WELLS | 6. IF INDIAN, ALLOTTEE OR TRIBE NAME: | | | | | |
| | oposals to drill new wells, significantly reenter plugged wells, or to drill horizon for such proposals. | | 7.UNIT or CA AGREEMENT NAME: CHAPITA WELLS | | | | | |
| 1. TYPE OF WELL Gas Well | | | 8. WELL NAME and NUMBER: CWU 4032-27 | | | | | |
| 2. NAME OF OPERATOR: EOG Resources, Inc. | 9. API NUMBER: 43047503290000 | | | | | | | |
| 3. ADDRESS OF OPERATOR: 600 17th Street, Suite 1000 | 9. FIELD and POOL or WILDCAT: NATURAL BUTTES | | | | | | | |
| 4. LOCATION OF WELL FOOTAGES AT SURFACE: 2296 FSL 0857 FEL | | COUNTY: UINTAH | | | | | | |
| QTR/QTR, SECTION, TOWNSI Qtr/Qtr: NESE Section: 2 | STATE: UTAH | | | | | | | |
| 11. CHEC | K APPROPRIATE BOXES TO INDICAT | TE NATURE OF NOTICE, REPOR | RT, OR OTHER DATA | | | | | |
| TYPE OF SUBMISSION | | TYPE OF ACTION | | | | | | |
| | ACIDIZE | ALTER CASING | CASING REPAIR | | | | | |
| NOTICE OF INTENT Approximate date work will start: | CHANGE TO PREVIOUS PLANS | CHANGE TUBING | CHANGE WELL NAME | | | | | |
| 4/1/2013 | CHANGE WELL STATUS | COMMINGLE PRODUCING FORMATIONS | CONVERT WELL TYPE | | | | | |
| SUBSEQUENT REPORT | DEEPEN | ☐ FRACTURE TREAT | New construction | | | | | |
| Date of Work Completion: | OPERATOR CHANGE | PLUG AND ABANDON | PLUG BACK | | | | | |
| | _ | | | | | | | |
| SPUD REPORT Date of Spud: | PRODUCTION START OR RESUME | RECLAMATION OF WELL SITE | ☐ RECOMPLETE DIFFERENT FORMATION | | | | | |
| Date of Space. | REPERFORATE CURRENT FORMATION | SIDETRACK TO REPAIR WELL | LI TEMPORARY ABANDON | | | | | |
| _ | TUBING REPAIR | ☐ VENT OR FLARE | WATER DISPOSAL | | | | | |
| DRILLING REPORT Report Date: | WATER SHUTOFF | SI TA STATUS EXTENSION | ✓ APD EXTENSION | | | | | |
| | WILDCAT WELL DETERMINATION | OTHER | OTHER: | | | | | |
| I . | completed operations. Clearly show a nc. respectfully requests the a well be extended for one yo | APD for the referenced | Approved by the Utah Division of | | | | | |
| | | | Oil, Gas and Mining | | | | | |
| | | | Date: April 09, 2013 | | | | | |
| | | | By: Boogyss | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| NAME (PLEASE PRINT) Vail Nazzaro | PHONE NUMB 303 824-5590 | ER TITLE Sr. Regulatory Assistant | | | | | | |
| SIGNATURE | | DATE | | | | | | |
| N/A | | 4/1/2013 | | | | | | |

Sundry Number: 36149 API Well Number: 43047503290000



The Utah Division of Oil, Gas, and Mining

- State of Utah
- Department of Natural Resources

Electronic Permitting System - Sundry Notices

Request for Permit Extension Validation Well Number 43047503290000

API: 43047503290000 Well Name: CWU 4032-27

Location: 2296 FSL 0857 FEL QTR NESE SEC 27 TWNP 090S RNG 230E MER S

Company Permit Issued to: EOG RESOURCES, INC.

Date Original Permit Issued: 4/8/2009

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision. Following is a checklist of some items related to the application, which should be verified.

| • If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes No |
|--|
| Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes No |
| Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes No |
| • Have there been any changes to the access route including ownership, or rightof- way, which could affect th proposed location? (Yes (No |
| • Has the approved source of water for drilling changed? Yes No |
| • Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes No |
| • Is bonding still in place, which covers this proposed well? Yes No |
| nature: Vail Nazzaro Date: 4/1/2013 |

Sig

Title: Sr. Regulatory Assistant Representing: EOG RESOURCES, INC.

STATE STATE OF THE STATE OF THE

United States Department of the Interior

BUREAU OF LAND MANAGEMENT
Green River District
Vernal Field Office
170 South 500 East
Vernal, UT 84078
http://www.blm.gov/ut/st/en/fo/vernal.html



June 13, 2013

IN REPLY REFER TO: 3160 (UTG011)

Kaylene Gardner EOG Resources, Inc. 600 17TH STREET, SUITE 1000 N DENVER, CO 80202

43 047 50329

Re:

Notice of Expiration Well No. CWU 4032-27 NESE, Sec. 27, T9S, R23E Uintah County, Utah Lease No. UTU-0334A Chapita Wells Unit

Dear Ms. Gardner:

The Application for Permit to Drill (APD) for the above-referenced well was approved on July 27, 2009. A two (2) year extension of the original APD was requested. The request was reviewed and the extension approved until March 31, 2013. According to our records, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location in the future, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

If you have any questions regarding this matter, please contact Robin R. Hansen at (435) 781-3428.

Sincerely,

/s/ Jerry Kenczka

Jerry Kenczka
Assistant Field Manager
Lands & Mineral Resources
RECEIVED

CC:

UDOGM

bcc:

Well File

I&E Asst.

RECEIVED

DIV. OF OIL, GAS & MINING

Form 3160-3 (August 2007)

RECEIVE

UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT

APR 0 6 2009

FORM APPROVED OMB No. 1004-0136 Expires July 31, 2010

APPLICATION FOR PERMIT TO DRILL OR REENTER

Lease Serial No. UTU0344A

6. If Indian, Allottee or Tribe Name

| Ia. Type of Work: ☑ DRILL ☐ REENTER | | 7. If Unit or CA Agreement UTU63013X | , Name and No. |
|---|--|---|----------------------|
| | | 8. Lease Name and Well No | <u> </u> |
| 1b. Type of Well: ☐ Oil Well ☐ Gas Well ☐ Oth | ner Single Zone Multiple Zon | CM/11/4032-27 | · |
| | MARY A. MAESTAS | 9. API Well No. | |
| | aestas@eogresources.com | | 0329 |
| 3a. Address 1060 EAST HIGHWAY 40 VERNAL, UT 84078 | 3b. Phone No. (include area code) Ph: 303-824-5526 | 10. Field and Pool, or Expl NATURAL BUTTES | oratory |
| 4. Location of Well (Report location clearly and in accorded | ance with any State requirements.*) | 11. Sec., T., R., M., or Blk. | and Survey or Area |
| At surface NESE 2296FSL 857FEL 4 | 0.00601 N Lat, 109.30665 W Lon | Sec 27 T9S R23E M | ler SLB |
| At proposed prod. zone NESE 2296FSL 857FEL 40 | 0.00601 N Lat, 109.30665 W Lon | SME: BLM | |
| 14. Distance in miles and direction from nearest town or post 59.1 MILES SOUTH OF VERNAL, UT | office* | 12. County or Parish UINTAH | 13. State UT |
| 15. Distance from proposed location to nearest property or | 16. No. of Acres in Lease | 17. Spacing Unit dedicated | to this well |
| lease line, ft. (Also to nearest drig. unit line, if any) 857' | 640.00 | | |
| | | | ,, , |
| 18. Distance from proposed location to nearest well, drilling, completed, applied for, on this lease, ft. | 19. Proposed Depth | 20. BLM/BIA Bond No. or | ifile |
| 9110' | 6630 MD | NM2308 | |
| 21. Elevations (Show whether DF, KB, RT, GL, etc. 5316 GL | 22. Approximate date work will start | 23. Estimated duration 45 DAYS | |
| | 24. Attachments | | |
| The following, completed in accordance with the requirements | of Onshore Oil and Gas Order No. 1, shall be attache | d to this form: | |
| Well plat certified by a registered surveyor. A Drilling Plan. A Surface Use Plan (if the location is on National Forest Sys SUPO shall be filed with the appropriate Forest Service Of | Item 20 above). tem Lands, the 5. Operator certification | rations unless covered by an exist | |
| 25. Signature (Electronic Submission) | Name (Printed/Typed) MARY A. MAESTAS Ph. 303-824-55 | | Date 04/01/2009 |
| Title REGULATORY ASSISTANT | | | |
| Approved by (Signatura) | Name (Printed/Typed) Name (Printed/Typed) | | 7/27/200 |
| Assistant Field Manager Lands & Mineral Resources | Office VERNAL FIELD OFF | ICE | |
| | HIUNS OF APPROVAL AT TAURED | | |
| Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, | make it a crime for any person knowingly and willfu | ally to make to any department or | agency of the United |
| States any false, fictitious or fraudulent statements or representa- | mions as to any matter within its jurisdiction. | | · |

Additional Operator Remarks (see next page)

Electronic Submission #68567 verified by the BLM Well Information SynOTICE OF APPROVAL
For EOG RESOURCES INC, sent to the Vernal
Committed to AFMSS for processing by GAIL JENKINS on 04/02/2009 (09GXJEGE VED)

JUL 3 0 2009



UNITED STATES DEPARTMENT OF THE INTERIOR BUREAU OF LAND MANAGEMENT VERNAL FIELD OFFICE

170 South 500 East VERNAL, UT 84078

(435) 781-440(



CONDITIONS OF APPROVAL FOR APPLICATION FOR PERMIT TO DRILL

Company:

EOG Resources Inc

Location:

NESE, Sec. 27, T9S, R23E

Well No:

CWU 4032-27

Lease No:

UTU-0344A

API No:

43-047-50329

Agreement:

Chapita Wells Unit

| Title | Name | Office Phone Number | Cell Phone Number |
|-----------------------------------|---|---------------------|-------------------|
| Petroleum Engineer | Michael Lee | (435) 781-4432 | (435) 828-7875 |
| Petroleum Engineer | Ryan Angus | (435) 781-4430 | (435) 828-7368 |
| Supervisory Petroleum Technician: | Jamie Sparger | (435) 781-4502 | (435) 828-3913 |
| Supervisory NRS | Karl Wright | (435) 781-4484 | |
| NRS/Enviro Scientist | Christine Cimiluca | (435) 781-4475 | · |
| NRS/Enviro Scientist | Dan Emmett | (435) 781-3414 | (435) 828-4029 |
| NRS/Enviro Scientist | Anna Figueroa | (435) 781-3407 | (435) 828-3548 |
| NRS/Enviro Scientist | Lori Ford | (435) 781-4406 | |
| NRS/Enviro Scientist | David Gordon | (435) 781-4424 | |
| NRS/Enviro Scientist | James Hereford | (435) 781-3412 | (435) 828-3546 |
| NRS/Enriro Scientist | Cheryl Laroque | (435_781-4476 | |
| NRS/Enviro Scientist | Chuck Macdonald | 435) 781-4441 | (435) 828-7481 |
| NRS/Enviro Scientist | Nathan Packer | (435) 781-3405 | (435) 828-3545 |
| NRS/Enviro Scientist | Paul Percival | (435) 781-4493 | (435) 828-7381 |
| NRS/Enviro Scientist | Verlyn Pindell | (435) 781-3402 | (435) 828-3547 |
| NRS/Enviro Scientist | Holly Villa | (435) 781-4404 | (435) 828-3544 |
| | _ · · · · · · · · · · · · · · · · · · · | Fax: (435) 781-3420 | |

A COPY OF THESE CONDITIONS SHALL BE FURNISHED TO YOUR FIELD REPRESENTATIVE TO INSURE COMPLIANCE

All lease and/or unit operations are to be conducted in such a manner that full compliance is made with the applicable laws, regulations (43 CFR Part 3160), and this approved Application for Permit to Drill including Surface and Downhole Conditions of Approval. The operator is considered fully responsible for the actions of his subcontractors. A copy of the approved APD must be on location during construction, drilling, and completion operations. This permit is approved for a two (2) year period, or until lease expiration, whichever occurs first. An additional extension, up to two (2) years, may be applied for by sundry notice prior to expiration.

NOTIFICATION REQUIREMENTS

| NOTIFICATION REQUIREMENTS | | |
|----------------------------------|---|--|
| Location Construction | - | Forty-Eight (48) hours prior to construction of location and |
| (Notify Environmental Scientist) | | access roads. |
| Location Completion | - | Prior to moving on the drilling rig. |
| (Notify Environmental Scientist) | | |
| Spud Notice | - | Twenty-Four (24) hours prior to spudding the well. |
| (Notify Petroleum Engineer) | | |
| Casing String & Cementing | - | Twenty-Four (24) hours prior to running casing and cementing |
| (Notify Supv. Petroleum Tech.) | | all casing strings. |
| BOP & Related Equipment Tests | _ | Twenty-Four (24) hours prior to initiating pressure tests. |
| (Notify Supv. Petroleum Tech.) | | · |
| First Production Notice | _ | Within Five (5) business days after new well begins or |
| (Notify Petroleum Engineer) | | production resumes after well has been off production for more |
| , | | than ninety (90) days. |

SURFACE USE PROGRAM CONDITIONS OF APPROVAL (COAs)

- All new and replacement internal combustion gas field engines of less than or equal to 300 designrated horsepower must not emit more than 2 gms of NO_x per horsepower-hour. This requirement does not apply to gas field engines of less than or equal to 40 design-rated horsepower.
- All and replacement internal combustion gas field engines of greater than 300 design rated horsepower must not emit more than 1.0 gms of NO_x per horsepower-hour.
- If there is an active Gilsonite mining operation within 2 miles of the well location, operator shall notify the Gilsonite operator at least 48 hours prior to any blasting during construction.
- If paleontological materials are uncovered during construction, the operator is to immediately stop work and contact the Authorized Officer (AO). A determination will be made by the AO as to what mitigation may be necessary for the discovered paleontologic material before construction can continue.

SITE SPECIFIC COAs:

- Prevent fill and stock piles from entering drainages.
- The access road shall be crowned and ditched. Flat-bladed roads are not allowed.
- The authorized officer may prohibit surface disturbing activities during severe winter, wet, or muddy conditions to minimize watershed damage. This limitation does not apply to operation and maintenance of producing wells.
- If additional erosion occurs during the life of this project, more culverts, low water crossings, berms, wing ditches, or gravel (from a private or commercial source) etc. shall be needed to control the erosion. Low-water crossings and culverts shall be appropriately constructed to avoid sedimentation of drainage ways and other water resources.
- Bury pipelines at all low water crossings.
- Surface pipelines will be placed 5-10 feet outside of the borrow area.
- Surface pipelines will be placed in such a way that they will not wander into the borrow area.
- Pipelines will be buried at all major road and drainage crossings.
- The pit liner is to be cut 5 feet below ground surface or at the level of the cuttings, whichever is deeper, and the excess liner material is to be disposed of at an authorized disposal site.

DOWNHOLE PROGRAM CONDITIONS OF APPROVAL (COAs)

SITE SPECIFIC DOWNHOLE COAs:

- The production casing cement shall extend a minimum of 200 feet above the next casing shoe.
- A formation integrity test shall be performed at the surface casing shoe.
- Gamma Ray Log shall be run from total depth to surface.

Variances Granted

Air Drilling

- Dust suppression equipment. Variance granted for water mist system to substitute for the dust suppression equipment.
- Blooie line discharge 100' from the well bore, variance granted for blooie line discharge to be 75' from the well bore.
- Compressors located in the opposite direction from the blooie line a minimum of 100' from the well bore. Variance granted for truck/trailer mounted air compressors.
- Straight run blooie line. Variance granted for targeted "T's" at bends.
- Automatic igniter. Variance granted for igniter due to water mist.

All provisions outlined in Onshore Oil & Gas Order #2 Drilling Operations shall be strictly adhered to. The following items are emphasized:

DRILLING/COMPLETION/PRODUCING OPERATING STANDARDS

- The spud date and time shall be reported orally to Vernal Field Office within 24 hours of spudding.
- Notify Vernal Field Office Supervisory Petroleum Engineering Technician at least 24 hours in advance of casing cementing operations and BOPE & casing pressure tests.
- All requirements listed in Onshore Order #2 III. E. Special Drilling Operations are applicable for air drilling of surface hole.
- Blowout prevention equipment (BOPE) shall remain in use until the well is completed or abandoned. Closing unit controls shall remain unobstructed and readily accessible at all times. Choke manifolds shall be located outside of the rig substructure.

Page 4 of 7 Well: CWU 4032-27 7/24/2009

- All BOPE components shall be inspected daily and those inspections shall be recorded in the daily drilling report. Components shall be operated and tested as required by Onshore Oil & Gas Order No. 2 to insure good mechanical working order. All BOPE pressure tests shall be performed by a test pump with a chart recorder and <u>NOT</u> by the rig pumps. Test shall be reported in the driller's log.
- BOP drills shall be initially conducted by each drilling crew within 24 hours of drilling out from under the surface casing and weekly thereafter as specified in Onshore Oil & Gas Order No. 2.
- Casing pressure tests are required before drilling out from under all casing strings set and cemented in place.
- No aggressive/fresh hard-banded drill pipe shall be used within casing.
- Cement baskets shall not be run on surface casing.
- The operator must report all shows of water or water-bearing sands to the BLM. If flowing water is encountered it must be sampled, analyzed, and a copy of the analyses submitted to the BLM Vernal Field Office.
- The operator must report encounters of all non oil & gas mineral resources (such as Gilsonite, tar sands, oil shale, trona, etc.) to the Vernal Field Office, in writing, within 5 working days of each encounter. Each report shall include the well name/number, well location, date and depth (from KB or GL) of encounter, vertical footage of the encounter and, the name of the person making the report (along with a telephone number) should the BLM need to obtain additional information.
- A complete set of angular deviation and directional surveys of a directional well will be submitted to the Vernal BLM office engineer within 30 days of the completion of the well.
- While actively drilling, chronologic drilling progress reports shall be filed directly with the BLM, Vernal Field Office on a weekly basis in sundry, letter format or e-mail to the Petroleum Engineers until the well is completed.
- A cement bond log (CBL) will be run from the production casing shoe to the <u>top of cement</u> and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.
- Please submit an electronic copy of all other logs run on this well in LAS format to UT_VN_Welllogs@BLM.gov. This submission will supersede the requirement for submittal of paper logs to the BLM.
- There shall be no deviation from the proposed drilling, completion, and/or workover program as approved. Safe drilling and operating practices must be observed. Any changes in operation must have prior approval from the BLM Vernal Field Office.

Page 5 of 7 Well: CWU 4032-27 7/24/2009

OPERATING REQUIREMENT REMINDERS:

- All wells, whether drilling, producing, suspended, or abandoned, shall be identified in accordance with 43 CFR 3162.6. There shall be a sign or marker with the name of the operator, lease serial number, well number, and surveyed description of the well.
- In accordance with 43 CFR 3162.4-3, this well shall be reported on the "Monthly Report of Operations" (Oil and Gas Operations Report ((OGOR)) starting with the month in which operations commence and continue each month until the well is physically plugged and abandoned. This report shall be filed in duplicate, directly with the Minerals Management Service, P.O. Box 17110, Denver, Colorado 80217-0110, or call 1-800-525-7922 (303) 231-3650 for reporting information.
- Should the well be successfully completed for production, the BLM Vernal Field office must be notified when it is placed in a producing status. Such notification will be by written communication and must be received in this office by not later than the fifth business day following the date on which the well is placed on production. The notification shall provide, as a minimum, the following informational items:
 - Operator name, address, and telephone number.
 - Well name and number.
 - o Well location (1/41/4, Sec., Twn, Rng, and P.M.).
 - O Date well was placed in a producing status (date of first production for which royalty will be paid).
 - The nature of the well's production, (i.e., crude oil, or crude oil and casing head gas, or natural gas and entrained liquid hydrocarbons).
 - o The Federal or Indian lease prefix and number on which the well is located; otherwise the non-Federal or non-Indian land category, i.e., State or private.
 - O Unit agreement and/or participating area name and number, if applicable.
 - O Communitization agreement number, if applicable.
- Any venting or flaring of gas shall be done in accordance with Notice to Lessees (NTL) 4A and needs prior approval from the BLM Vernal Field Office.
- All undesirable events (fires, accidents, blowouts, spills, discharges) as specified in NTL 3A will be reported to the BLM, Vernal Field Office. Major events, as defined in NTL3A, shall be reported verbally within 24 hours, followed by a written report within 15 days. "Other than Major Events" will be reported in writing within 15 days. "Minor Events" will be reported on the Monthly Report of Operations and Production.

Page 6 of 7 Well: CWU 4032-27 7/24/2009

- Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (BLM Form 3160-4) shall be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3162.4-1. Two copies of all logs run, core descriptions, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, shall be filed on BLM Form 3160-4. Submit with the well completion report a geologic report including, at a minimum, formation tops, and a summary and conclusions. Also include deviation surveys, sample descriptions, strip logs, core data, drill stem test data, and results of production tests if performed. Samples (cuttings, fluid, and/or gas) shall be submitted only when requested by the BLM, Vernal Field Office.
- All off-lease storage, off-lease measurement, or commingling on-lease or off-lease, shall have prior written approval from the BLM Vernal Field Office.
- Oil and gas meters shall be calibrated in place prior to any deliveries. The BLM Vernal Field Office
 Petroleum Engineers will be provided with a date and time for the initial meter calibration and all
 future meter proving schedules. A copy of the meter calibration reports shall be submitted to the
 BLM Vernal Field Office. All measurement facilities will conform to the API standards for liquid
 hydrocarbons and the AGA standards for natural gas measurement. All measurement points shall be
 identified as the point of sale or allocation for royalty purposes.
- A schematic facilities diagram as required by Onshore Oil & Gas Order No. 3 shall be submitted to the BLM Vernal Field Office within 30 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with Onshore Oil & Gas Order No. 3.
- Any additional construction, reconstruction, or alterations of facilities, including roads, gathering lines, batteries, etc., which will result in the disturbance of new ground, shall require the filing of a suitable plan and need prior approval of the BLM Vernal Field Office. Emergency approval may be obtained orally, but such approval does not waive the written report requirement.
- No location shall be constructed or moved, no well shall be plugged, and no drilling or workover
 equipment shall be removed from a well to be placed in a suspended status without prior approval of
 the BLM Vernal Field Office. If operations are to be suspended for more than 30 days, prior
 approval of the BLM Vernal Field Office shall be obtained and notification given before resumption
 of operations.
- Pursuant to Onshore Oil & Gas Order No. 7, this is authorization for pit disposal of water produced from this well for a period of 90 days from the date of initial production. A permanent disposal method must be approved by this office and in operation prior to the end of this 90-day period. In order to meet this deadline, an application for the proposed permanent disposal method shall be submitted along with any necessary water analyses, as soon as possible, but no later than 45 days after the date of first production. Any method of disposal which has not been approved prior to the end of the authorized 90-day period will be considered as an Incident of Noncompliance and will be grounds for issuing a shut-in order until an acceptable manner for disposing of said water is provided and approved by this office.

Page 7 of 7 Well: CWU 4032-27 7/24/2009

• Unless the plugging is to take place immediately upon receipt of oral approval, the Field Office Petroleum Engineers must be notified at least 24 hours in advance of the plugging of the well, in order that a representative may witness plugging operations. If a well is suspended or abandoned, all pits must be fenced immediately until they are backfilled. The "Subsequent Report of Abandonment" (Form BLM 3160-5) must be submitted within 30 days after the actual plugging of the well bore, showing location of plugs, amount of cement in each, and amount of casing left in hole, and the current status of the surface restoration.



State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER

Executive Director

June 11, 2014

Division of Oil, Gas and Mining JOHN R. BAZA

Division Director

EOG Resources, Inc. 600 17th Street, Suite 1000 N. Denver, CO 80202

Re:

APDs Rescinded for EOG Resources, Inc., Uintah County

Ladies and Gentlemen:

Enclosed find the list of APDs that is being rescinded. No drilling activity at these locations has been reported to the division. Therefore, approval to drill these wells is hereby rescinded, effective June 11, 2014.

A new APD must be filed with this office for approval <u>prior</u> to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,

Diana Mason

Environmental Scientist

cc:

Well File

Bureau of Land Management, Vernal



| 43-047-50328 | CWU 4012-19 |
|--------------|-------------|
| 43-047-50329 | CWU 4032-27 |
| 43-047-50330 | CWU 4004-30 |
| 43-047-50331 | CWU 737-33 |
| 43-047-50332 | CWU 4011-18 |
| 43-047-50334 | CWU 1265-22 |
| 43-047-50335 | CWU 1267-22 |
| 43-047-50336 | CWU 4053-27 |
| 43-047-50337 | CWU 4035-34 |
| 43-047-50338 | CWU 4027-22 |